



## Media Release

Embargoed until 10am Wednesday 16 April 2008

*National Skills Policy Collaboration*

# Facing up to Australia's skills challenge: industry sets key priorities to address the skills crisis

The National Skills Policy Collaboration has today released a ten-point plan to meet Australia's skills challenges head on.

The statement by leading employer and union groups calls for significant action, innovative thinking and creative solutions to address Australia's skills crisis.

Chief Executive of the Australian Industry Group, Ms Heather Ridout, said "the competitive future of the Australian economy rests in large part with the development of a highly skilled & innovative workforce. This will only happen if there is a quantum leap forward in the resourcing and commitment by a range of parties to lifting the skills of Australians."

"Australia's economic potential will remain constrained unless productivity-boosting reforms such as those proposed in this statement are embraced and implemented," she said.

President of the ACTU, Ms Sharan Burrow, said there was a need to look at fundamental reform. "Australia has a generational opportunity to turn around the skills crisis. Reforms undertaken today will set us up for a new wave of productivity improvement and prosperity."

"Australia's skills shortage needs to be addressed urgently through improvements in the provision of vocational education and training. Greater industry involvement in this is essential if real improvements in delivery and outcomes are to be achieved," she said.

The statement highlights ten steps integral to improving the quality and capacity of Australia's workforce. These include:

- Renewed focus on apprenticeship completions
- A long-term strategy to improve Australia's investment in education and training
- Skill infrastructure partnerships between public and private sectors
- Lifting Year 12 or certificate III completion rates
- A national vision and consensus on the future of TAFE
- A review of the traineeship program.

The plan has identified priorities that represent clear, tangible reforming goals. The Collaboration will work with the Rudd Labor Government to achieve the increased quality of skills and skilled workers Australia needs.

A key element of the plan is to support teachers, trainers and their leaders to improve their qualifications and knowledge.

The statement calls for a greater focus on making education and training more responsive to the needs, interests and aspirations of learners. Productivity is an important lens for vocational education. It is best shaped in ways that genuinely excite learners, encourage a social contribution, and develop enduring technical and holistic skills.

The Collaboration includes a number of business groups, unions and think-tanks who believe that Australia can lift its productivity, workforce participation and economic growth by investing wisely in education and training.

The group consists of the Australian Council of Trade Unions (ACTU), Australian Industry Group (Ai Group), Australian Education Union (AEU), Dusseldorp Skills Forum (DSF) and Group Training Australia (GTA). It will be conducting a roundtable in coming months to communicate the plan and to engage with other stakeholders.

**Mr Jim Barron, CEO of Group Training Australia (GTA) said:**

“The Rudd Government has called for an education revolution. We need a training revolution as well. This ten point plan shows the way and, if implemented, will deliver long term economic and social benefits’.”

**Ms Linda Simon, Federal TAFE President of the Australian Education Union (AEU) said:**

“TAFEs have played a vital role in the vocational education and training sector for many decades and with the resources will continue to into the future.

A vibrant and well resourced public TAFE system is essential to planning for the broader learning needs of Australians, and for current and future skill needs”, said Ms Simon.

**Mr Jack Dusseldorp from the Dusseldorp Skills Forum (DSF) said:**

“The global war for talent means that Australia must do much more to educate, train and add value to its workforce if we are to remain competitive. Benchmarking Australia’s skills performance against the OECD leaders and the best in the Asia-Pacific region will be crucial.”

**Media contacts:**

<b>Australian Council of Trade Unions (ACTU) –</b>	<b>Lidija Ivanovski 0432 121 636</b>
<b>Australian Industry Group (Ai Group) -</b>	<b>Tony Melville 0419 190 347</b>
<b>Australian Education Union (AEU) -</b>	<b>Pat Forward 0425743954</b>
<b>Dusseldorp Skills Forum (DSF) -</b>	<b>Penny Stevens 02 6375 1540</b>
<b>Group Training Australia (GTA) –</b>	<b>Mr Bob Bowden 0412 753 298</b>

## Attachment

### Summary of the ten point plan

- A focus on improving the quality and increasing the number of Australians with VET qualifications which meet future industry and workforce needs.
- The centrality of the industry stakeholders, especially employers, workers and their representatives.
- Improved youth engagement to give students access to multiple pathways and curriculum choices, especially in middle and senior schooling.
- A crucial role for student support and skilling intermediaries, recognizing the importance of brokerage, guidance, advice for students.
- National workforce development and existing worker strategies
- Genuine competency-based progression & improved apprenticeship completions focused on achieving higher rates of completion and improved quality of learning and work experience.
- A review of traineeships to ensure they contribute to the development of a high wage, high value-add and innovative economy.
- A public and industry investment strategy for vocational education and training to improve the level of Australia's investment in education and training is needed.
- A clear vision for flexible and responsive vocational education providers, and for the future of TAFE in particular
- A focus on the skills needed for a low carbon economy.

### Six reasons why Australia needs to act

First, Australia faces a significant shortfall in the supply of workers with the required vocational qualifications. A shortfall of 240,000 workers can be expected by 2016.

Second, Australia faces a significant shortfall in the supply of people with the necessary professional qualifications. A serious shortage exists in the sciences and mathematics, with an estimated shortfall of 19,000 scientists and engineers by 2012.

Third, Australia is struggling to lift school completion rates. Other OECD countries have managed to progressively improve school completion rates, but these rates have barely shifted in Australia over the past 15 years.

Fourth, 46 percent of adults – or seven million Australians – are estimated to have poor or very poor skills across one or more of prose literacy, document literacy, numeracy, problem-solving and health literacy. This means they did not attain the skill levels regarded by most experts as a suitable minimum for coping with the increasing and complex demands of modern life and work.

Fifth, Australia's total public spending on education at 4.8 percent of GDP is below the OECD average (5.4 percent), and well below the Scandinavian countries, France, New Zealand, the UK and the USA.

Sixth, more than a decade of sustained economic growth and prosperity means we can seriously tackle educational exclusion and disengagement, and in ways that can deliver greater social equity.